

# MICHIGAN STATE TRANSPORTATION COMMISSION

## PUBLIC MEETING

January 30, 2020

Aeronautics Building, Lansing, Michigan

## MEETING MINUTES

**Members Present:** Todd A. Wyett, STC Chair  
Michael D. Hayes, STC Vice Chair  
Stephen F. Adamini, STC Commissioner  
George K. Heartwell, STC Commissioner  
Chris J. Yatooma, STC Commissioner  
Helen Zeerip, STC Commissioner

**Members Absent:** None

**Also Present:** Director Ajegba, Michigan Department of Transportation  
Tony Kratofil, COO, MDOT  
Laura Mester, CAO, MDOT  
David Brickey, Assistant Attorney General, Transportation Division  
Jeff Cranson, Office of Communications, MDOT  
Troy Hagon, Commission Advisor  
Janie Gallimore, Executive Assistant, Governmental Affairs  
Patrick McCarthy, Director, MDOT Bureau of Finance  
Brad Wieferich, Director, MDOT Bureau of Development  
Jason Gutting, MDOT Bureau of Field Services  
Jack Cotter, Commission Auditor, Office of Commission Audits  
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits  
Ashleigh Houska, General Office Assistant, Office of Commission Audits  
Greg Johnson, WSP Parson Brinkerhoff  
Mike Nystrom - MITA  
About 20-30 people were in the audience.

### I. WELCOME

Chair Wyett called the meeting to order at 8:00 a.m.

### II. COMMISSION BUSINESS

- *Minutes of October 17, 2019, Commission Meeting (motion required)*

Chair Wyett requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Vice Chair Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- *2009 and 2011 STF Refunding Resolution – Patrick McCarthy (motion required)*

Mr. McCarthy presented a Resolution requiring a motion by the Commission to allow MDOT to refund the 2009 and 2011 STF bonds assuming the market conditions still warrant such a transaction. Currently the 2009 bonds are callable and with interest rate conditions as they

are, we will realize present value savings of \$7.6 million by refunding the entire outstanding bonds of \$110.4 million. This is a PV savings of 6.86% on the existing debt service.

Chair Wyett requested a motion regarding approval of the 2009 and 2011 STF Refunding Resolution. Vice Chair Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

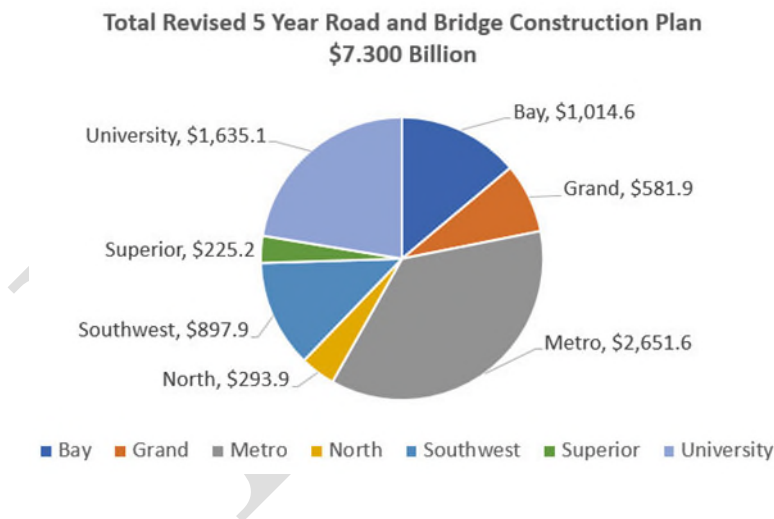
- ***New Bond Resolution – Laura Mester, CAO (motion required)***

Ms. Mester presented on the Rebuilding Michigan New Bond Resolution. The Rebuilding Michigan program objective is to rebuild the state highway and bridges that are critical to the state's economy and carry the most traffic. The investment strategy is aimed at fixes that result in longer useful lives and improves the condition of the state's infrastructure. In addition, this strategy allows MDOT to address key corridors and rebuild major segments of highly travelled interstates, such as I-69, I-75, and I-94, as well as several other busy freeways.

Chair Wyett requested a motion regarding approval of the New Bond Resolution. Vice Chair Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Approval of the Revised 5-Year Program – Laura Mester, CAO (motion required)***

Ms. Mester presented on a revised Five-Year Program that now incorporates a revised total investment amount of \$7.3 billion versus the original \$3.9 billion.



Chair Wyett requested a motion regarding approval of the Revised 5-Year Program. Commissioner Heartwell made a motion to approve and Vice Chair Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Transportation Asset Management Council (TAMC) Appointments – Troy Hagon***

Mr. Hagon presented two nominations for reappointments to the Asset Management Council for Mr. Jon Start and Ms. Jennifer Tubbs.

Chair Wyett requested a motion regarding approval of TAMC nominations. Commissioner Heartwell made a motion to approve and Commissioner Zeerip supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter gave a brief update on OCA, stating that although OCA is currently short staffed, last year OCA's auditors and administrative assistants released 1200 products for its client, MDOT. **No motion required.**

### III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Patrick McCarthy***

Mr. McCarthy presented information on 14 contracts, comprised of Local Agency participation contracts, Passenger Transportation contracts, and Rail contracts. Pending any questions, Mr. McCarthy asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Heartwell made a motion to approve and Commissioner Zeerip supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Patrick McCarthy***

Mr. McCarthy presented information about Letting Statistics and Exhibit A-1. Exhibit A-1 contains 56 contracts, all of which will be let on February 7, 2020, with an engineer's estimate greater than \$500,000. Pending any questions, Mr. McCarthy asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Yatooma made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Brad Wieferich***

Mr. Wieferich provided information on six projects that were **over** the engineer's estimate. A justification memo was provided also for the projects where the low bid exceeded the engineer's estimate by more than ten percent; the Office of Commission Audits (OCA) has reviewed. Pending any questions, Mr. Wieferich asked for approval of Exhibit A-2.

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Heartwell made a motion to approve and Vice Chair Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-3: Informational for the Commission – Patrick McCarthy***

Mr. McCarthy provided information on one project, for which the bid is under \$500,000 and has less than two bidders or is a low bid rejection or has other bid issues, are being submitted for informational purposes. **No motion required.**

- ***Exhibit A-4: Bid Letting Not Pre-Approved – Patrick McCarthy***

Mr. McCarthy presented one project that was let on January 10, 2020, and did not receive pre-approval by the Commission, and was therefore put on the A-4 for post letting approval. Pending any questions, Mr. McCarthy asked for approval of Exhibit A-4.

Chair Wyett requested a motion regarding approval of Exhibit A-4. Vice Chair Hayes made a motion to approve and Commissioner Yatooma supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

• ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for October, November, and December
  - 98 projects totaling approximately \$158 million were finalized.
  - 7 projects were more than 10 percent over the original contract amount
  - 43 projects came in under original contract amount
- Final monthly contract costs were respectively 1.11, 5.42, and -3.50 percent when compared to their original contract amount.
- Fiscal year to date is averaging 1.15 percent over original contract amount.
- Local Agency Projects for October, November, and December
  - 87 projects totaling approximately \$72 million were finalized.
  - 5 projects were more than 10 percent over the original contract amount
  - 49 projects came in under original contract amount
- 6 MDOT projects and 9 local agency projects are being presented today.

**No motion required.**

IV. **INFORMATIONAL REPORTS**

- ***Director's Agenda, January 9, 2020 – Patrick McCarthy***
- ***State Administrative Board Agenda, January 14, 2020 – Patrick McCarthy***

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PRESENTATIONS**

No presentations.

VI. **PUBLIC COMMENT**

- ***Mike Nystrom – Executive Vice President of Michigan Infrastructure and Transportation Association (MITA)***

Mr. Nystrom wanted to congratulate and thank the commission for doing the citizens' work today. "You did today what we've been hoping the Legislature would do for years now and we hope that they will recognize the work that you've done here.", Mr. Nystrom said to the Commissioners.

- ***Greg Johnson – WSP Parson Brinkerhoff (Retired MDOT employee of 27 years)***

Mr. Johnson congratulated the commission on taking this step in approving the new resolution bond. Mr. Johnson congratulated the Governor, as well, on having a bold vision. Mr. Johnson stated that he's been in Maryland and all around the country seeing what different states are doing and their investment in transportation. And, according to Mr. Johnson, what other states are doing as far as investing in their infrastructure is tremendous. For instance, California, Texas, Florida, and Ohio are putting more money into their roadways, so the New Bond Resolution is a positive step for MDOT but not the final.

Mr. Johnson stated how there's always a talk in the media that MDOT doesn't know how to build roads. But after running Maryland State Highway Administration for a year and a half he saw what they did, Michigan is so far ahead of other states in utilizing technology and in making smart decisions. Mr. Johnson said, "The only reason MDOT system is behind is the money that is not being spent."

Mr. Johnson stated that at the time he was in Maryland they had a system half the size of Michigan, but they were spending twice as much money on their system and it showed.

**VII. ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 9:20 a.m.

**VIII. NEXT MEETING**

The next full meeting is Thursday, April 23, 2020 in Lansing, MI.

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Troy Hagon  
Commission Advisor